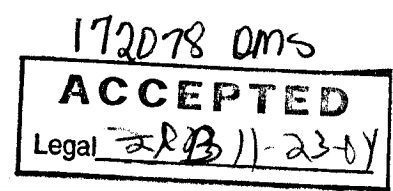


STATE OF SOUTH CAROLINA  
**State Budget and Control Board**  
OFFICE OF THE EXECUTIVE DIRECTOR



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GOVERNOR

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CHAIRMAN, WAYS AND MEANS COMMITTEE

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EDWIN E. EVANS  
GENERAL COUNSEL

November 19, 2004

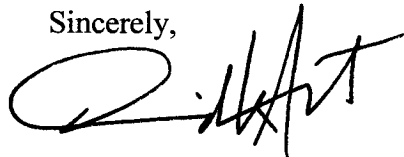
Docketing Department  
South Carolina Public Service Commission  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29210

Re: Application of Chem-Nuclear Systems, LLC (Fiscal Year 2004-2005)  
SCPSC Docket No. 2000-366-A  
Discovery Request of the South Carolina Budget and Control Board  
(Set No. 1) Dated November 18, 2004

To the Docketing Department:

Enclosed please find four (4) copies of the Discovery Request of the South Carolina Budget and Control Board in the above matter. It would be greatly appreciated if you would file one copy and clock-in and return the three (3) additional copies in the self-addressed stamped envelope provided. Copies of the Discovery request have been served on all parties of record. Thank you for your assistance in this matter. Should there be any questions or comments, please do not hesitate to contact me.

Sincerely,



David K. Avant  
Office of General Counsel

Enclosure

cc: Robert T. Bockman, Esquire

**STATE OF SOUTH CAROLINA  
BEFORE THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION  
DOCKET NO. 2000-366-A**

IN THE MATTER OF: ) **DISCOVERY REQUEST OF**  
 ) **THE SOUTH CAROLINA BUDGET**  
Application of Chem-Nuclear Systems, ) **AND CONTROL BOARD (SET NO.1)**  
LLC, a Division of Duratek, Inc., for ) **DATED NOVEMBER 19, 2004**  
Identification of Allowable Costs )

**TO: THE APPLICANT AND ITS COUNSEL, ROBERT T. BOCKMAN, ESQUIRE**

Pursuant to the South Carolina Public Service Commission's ("the Commission") Rules of Practice and Procedure and the South Carolina Rules of Civil Procedure, the South Carolina Budget and Control Board ("the Board") hereby serves three (3) copies of these discovery requests upon the Applicant (Chem-Nuclear Systems, LLC or CNS) and files the original and one (1) copy of these discovery requests with the Honorable Randy Mitchell, Chairman of the Commission.

**INSTRUCTIONS**

- A. All information shall be provided to the undersigned in the format as requested.
- B. All responses to the below requests shall be labeled using the same numbers as used herein.
- C. If the requested information is found in other places or in other exhibits, reference should not be made to those, but, instead, the information should be reproduced and placed in the Interrogatory response in the appropriate sequence.
- D. The requested information should be bound in ring binders (loose leaf notebook) or otherwise bound.
- E. In addition to the signature and verification at the close of the Company's responses, the Company witness(es) or employee(s) responsible for the information contained in each answer should be indicated with each response.
- F. Each of the discovery requests should be reproduced at the beginning of each of the responses.
- G. If the response to any Interrogatory is that the information is not currently available, Applicant should state when the information will be available.

- H. The Interrogatories shall be deemed continuing so as to require the Company to supplement or amend its responses as any additional information becomes available.
- I. Responses are due not more than 10 days after the service of these requests.

### **INTERROGATORIES**


1. In paragraph 17 of its Application, CNS requests \$5,809,175 in fixed costs for the fiscal year 2004 - 2005, which is an increase of \$385,707 over the proposed adjustment in fixed costs of \$5,423,468 for the fiscal year 2003 - 2004. Please provide a breakdown showing the cost categories, the amount of increase requested for each, and an explanation for each increase.
2. In Exhibit A to the CNS Application, fixed cost proposed adjustment for fiscal year 03-04, G&A is increased from \$686,000, the amount identified in Commission Order No. 2004-349, to \$892,551. Please provide an explanation for the increase.
3. In Exhibit B, Page 1 to the CNS Application (item identified as "Insurance Premiums"), CNS request \$941,301.46 as an irregular cost. Please provide a breakdown for the various insurance premium costs showing (a) type of insurance, (b) named beneficiaries of the policies, and (c) annual costs.
4. In Exhibit B, Page 1 to the CNS Application (item identified as "Decontamination and Corrective Actions"), irregular costs associated with two corrective actions are noted (Labor \$10,426.87 and Non-Labor \$10,047.04). For both cases, please describe who was responsible for the damage that necessitated the additional costs. If a generator, customer, or shipper was responsible, was the party billed for the additional costs incurred?
5. For the item identified as "Large Component Disposal" contained in Exhibit B, Page 2 of the CNS Application, please provide an itemized breakdown for non-labor costs shown in the table.
6. In subsection (b) of the item identified as "Other Irregular Costs" contained in Exhibit B, Page 4, of its Application, CNS requests reimbursement for \$25,534.50 paid to an affiliated company for mechanically compacting waste generated at and by the Barnwell site ("site-generated waste") prior to disposal. This waste was compacted at a separate Duratek facility located near the Barnwell disposal site. Please respond to the following questions:
  - a. What was the volume of this waste prior to compacting?
  - b. How was the \$25,534.50 price determined?
  - c. Please show quantitatively how compacting the waste was the most efficient alternative for the waste. For example, provide a table comparing Chem-Nuclear's

overall disposal/handling/processing costs for this alternative to other alternatives for managing the waste.

- d. For each fiscal year, 2001, 2002, 2003 and 2004, what was the volume of Barnwell site-generated waste (after compaction or other processing) disposed at the Barnwell site?
7. In subsection (c) of the item identified as "Other Irregular Costs" contained in Exhibit B, Page 4, to the its Application, CNS requests \$49,937.04 in irregular costs for an accounting consultant. Please provide a detailed explanation of the basis for this cost.
8. In subsection (b) of the item identified as "Additional Irregular Costs" contained in Exhibit B, Page 4, to the CNS Application, a total of \$270,396.61 is requested for non-labor costs associated with slit trench offload operations and other waste disposal operations. Please provide an itemized breakdown of these costs.
9. In Exhibit C to the CNS Application, a table is provided which reflects a vault price of \$31.23 per cubic foot for Class A waste. Please provide the disposal price for each kind of standard-sized vault paid in fiscal years 2001, 2002, 2003 and 2004.

#### REQUEST TO PRODUCE

1. Please produce any documents mentioned in any of the above interrogatories or referred to in any response to an interrogatory.
2. Please produce any document referred to in responding to any of the above interrogatories.

BY: 

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David K. Avant  
Robert E. Merritt  
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November 19, 2004